

License Law Explained to Realty Men

Commissioner Clears Atmosphere on Points That Have Bothered Brokers and Owners

Members of the Real Estate Board of New York were told a lot of things about the real estate license law in operation in this state and in New Jersey by Commissioner Vincent P. Bradley, of the New Jersey Commission, and F. S. McCaffrey, of the New York Commission, at the resumption of their monthly dinner meetings at Delmonico's last week.

Mr. McCaffrey said on Tuesday night that 10,270 brokers and 5,000 salesmen had been licensed to transact business. These licenses have brought the state \$230,700 in revenue, half of which had been returned to the counties or cities from which it originated. New York City, for instance, received \$12,350. About 70 per cent of the applications were received from New York City, and as the license fee here is \$25 about 80 per cent of the half returned came to New York.

Mr. Bradley, of the New Jersey Commission, told the brokers that the license law would eventually place real estate men on the same footing as doctors and lawyers. Real estate, he said, is one of the oldest callings in the business history of America, yet no attempt until now has been made to regulate it. George Washington, he said, was a real estate man, for he subdivided a section of Virginia.

Mr. McCaffrey in his talk brought out some points that seemed to clear the atmosphere for many. In the first place Mr. McCaffrey explained that a real estate broker is not a person who is one who, for another, procures certain acts. That means that an owner of property may negotiate with and leases of his own property without a license, but as soon as one begins to do such things for another as comes within the provisions of the law and is required to secure a license. The law does not allow a single person to become interested in a transaction, that is meant to do the preliminary work in connection with the transaction, with the thought in mind that if the sale or lease goes through he will then procure a license. The moment he begins the transaction he is violating the law unless he has a license. An individual, copartnership or corporation or owner of property, therefore, need not necessarily be licensed, but must employ a salesman, because the definition of a salesman is one who must be employed by a real estate broker, and a person who is not a licensed broker cannot employ a salesman.

Owner Can Act for Himself
Mr. McCaffrey said:
"A building company disposing of its property like a house cannot employ a salesman unless it procures a license as a real estate broker. A licensed real estate broker who may see fit to have his business temporarily and go on a vacation leaves the handling of his office for the purpose of business and leaves some one in charge of his office who may be a member of his family, or perhaps a friend or relative, unless the person left in charge is licensed, he is violating the statute."
"A question arose as to whether or not the managers and clerks in the office of an owner of a hotel, who leased apartments and let his rooms to transient guests came within the statute, and we ruled he did not; that the law never meant that a hotel owner or manager should be required to secure a license."
"Salesmen must be employed by a licensed real estate broker."
"An superintendent, janitor or elevator operator of an apartment house performing any of the acts included in the definition of what constitutes a real estate salesman is obliged to procure a license; provided, of course, he is not a licensed broker, or if he represents the apartment house, he has a broker's license if the owner is not licensed."
"If the same janitor, elevator man or superintendent only incidentally shows apartments, but does not negotiate leases, and the money that he is paid as salary for the performance of other lines of work he has to do pertaining to the apartment house, he is not a real estate salesman, and is not required to have a license."
Status of Relative of Owner
"An immediate member of a family of an owner of an apartment or building need not have a license to collect rent for the owner."
"A question which has brought us to a decision is to decide whether or not inside employees of a brokerage office required a license. We ruled in that case that should any of the employees perform any acts included in the definition they would be required to have licenses. Now, it was not meant, of course, that the stenographer or typist in drawing a lease, merely doing that, on a building, nor was it meant that the telephone operator who answered an inquiry in relation to a particular piece of property should also have a license."
"Salesmen are required to pay the license fee for the locality where they are located. A salesman who is employed permanently in a \$2 locality need only pay the license fee for that locality, although the principal office of his employer is located in a first class city."
"The law, as you know, applies to every city of the state and counties adjoining a city having a population of one million or more."
Office Not Required
"There is nothing in the statute that requires a broker to maintain an office. It is enough that an office outside of his home. He may conduct his business in his home if he wishes, but as the law now reads there is nothing in the statute that requires a broker to maintain an office, although it does say a broker's license must be conspicuously displayed in his place of business."
"As to the license fee in relation to a real estate broker, the definition of it is much in the state like that in New Jersey, except that in New Jersey the power of attorney exempts the one licensed under its provision, and in this state law requires that trust companies act as trustees have to procure licenses, whereas in New Jersey it is not necessary."
"A license gives the privilege of act-

Browne Says Let Sleeping Dogs Lie

"It is a great mistake to foster agitation for the repeal of the rent laws in 1923. No legislator from New York City dare vote for it. Such agitation will only stir up tenants to demand even harsher laws. 'Let sleeping dogs lie,' is my theory. Landlords can now get 8 per cent income on assessed valuation, which, while it ought to be 10 per cent, is not 'killing.'"
—Stewart Browne, president of United Real Estate Owners' Association.

ing to a person. Should he become part of a copartnership and wish to transact a real estate brokerage business it becomes necessary for the copartnership to apply for a license and pay the full license fee, indicating, if they wish, the person who is to act for them as the individual licensee; and should that individual and others who may be licensed form a corporation the licenses issued to them do not give them the privilege to act for the corporation, and it becomes necessary for the corporation to apply for a license, indicating to whom they want the brokerage privilege given and paying the full license fee.

There is no provision made for the transfer of a broker's license in the statute. As an example, two corporations merge. The merged corporation loses its identity and the licenses are cancelled. It is necessary for those who represent the merged corporation, if they wish to operate in a new company, to have the company apply for additional licenses for them and pay the license fee. Directors or officers of corporations cannot secure salesmen's licenses.

What Constitutes Non-Residence
"The license of a salesman, upon termination of employment, can be transferred to his new employer. This happens to be so regardless of who pays the license fee. If the employer pays the fee for a real estate salesman and in the course of a week that salesman leaves his employ, unless there is some arrangement between the salesman and the broker, the broker loses \$5 and the salesman can apply for a transfer of that license to his new employer. I mean by that he has a new salesman's license indicating his new employer, and an additional fee. If the broker who pays that fee discharges a salesman for whom he pays it and wants to substitute another man in the place of the discharged employee, he must pay an additional fee. For while we can change employment for a salesman, we cannot change employers for a broker."

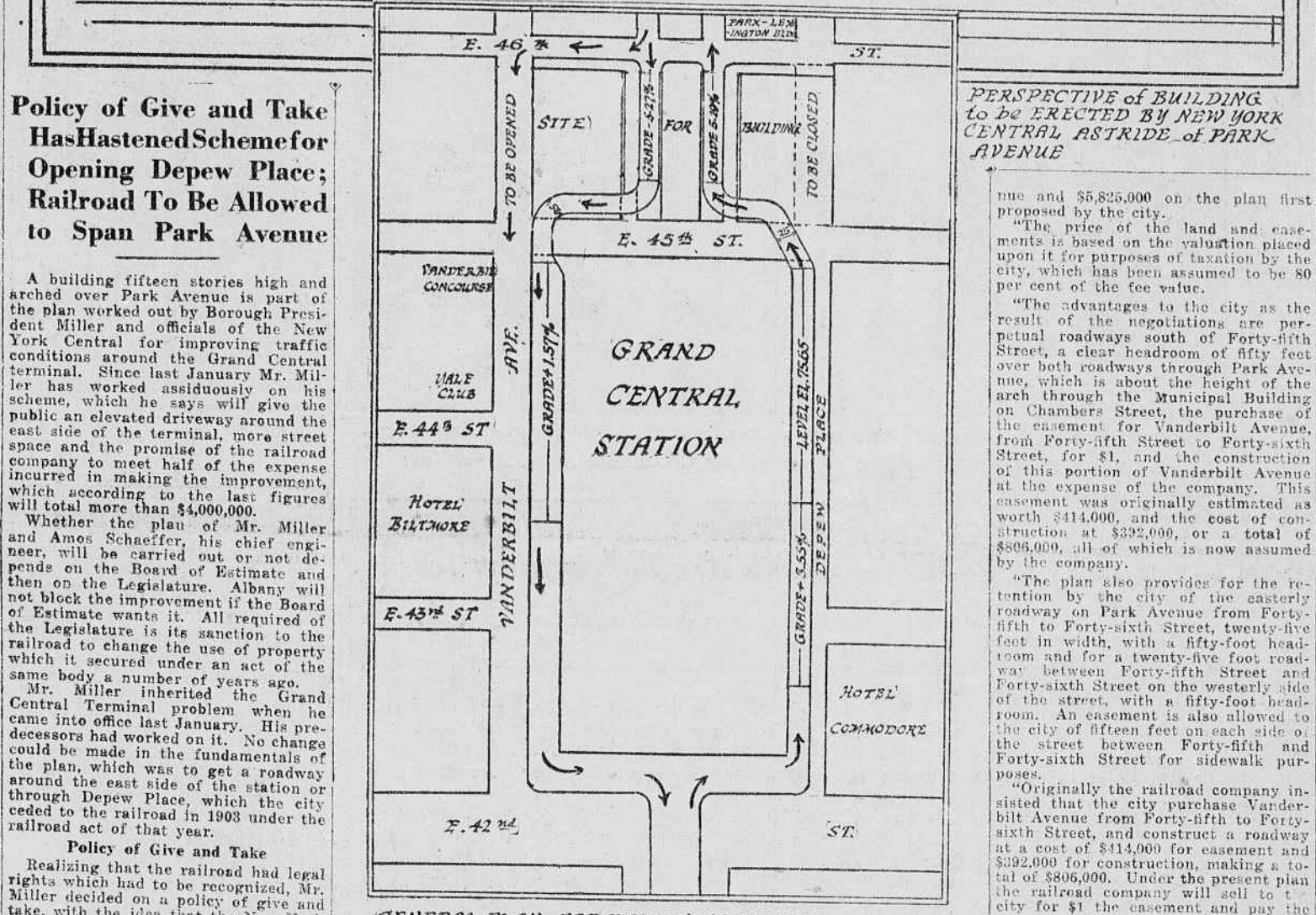
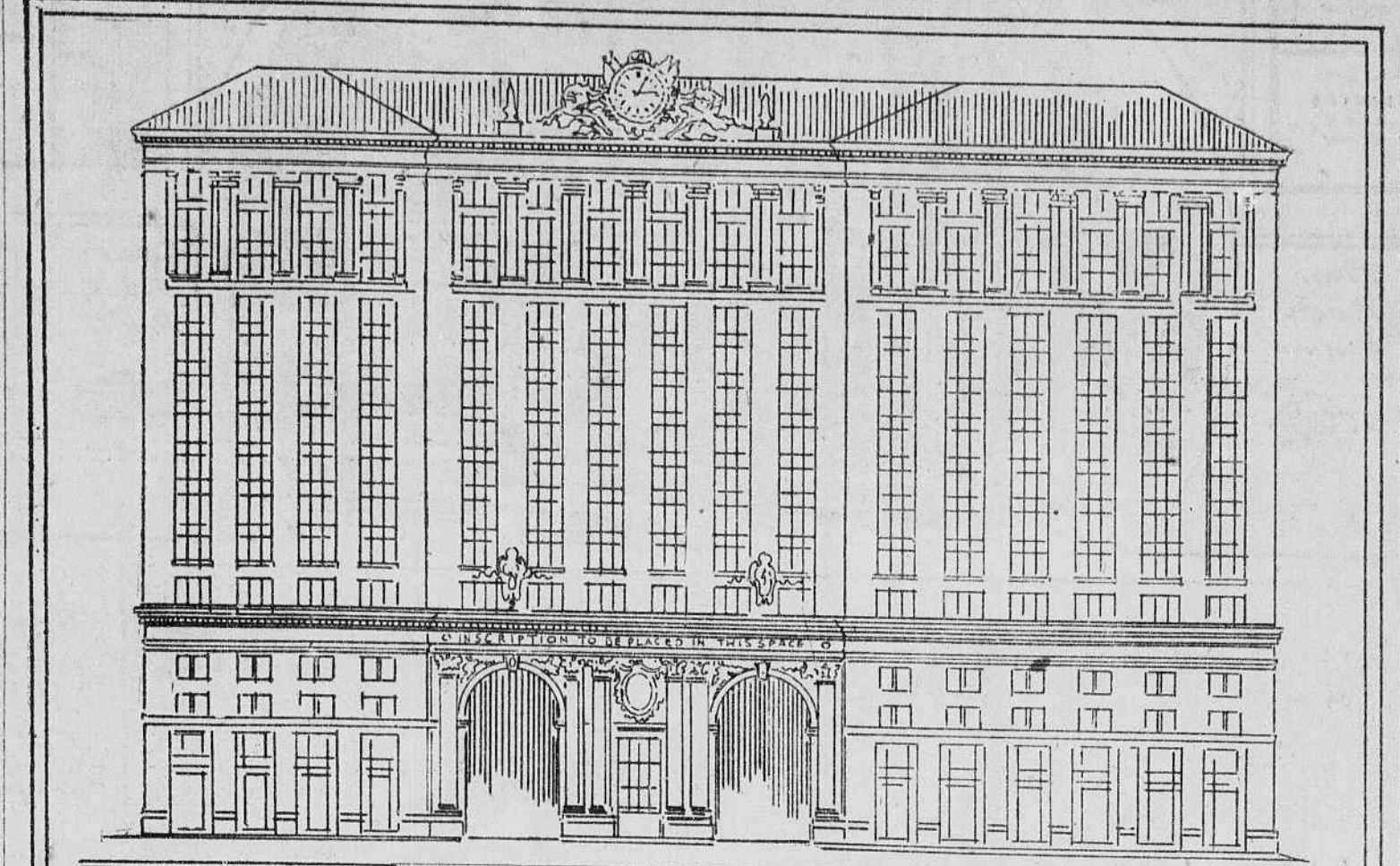
"A person who lives outside of the state, but whose office for doing business is in this state, is not a non-resident in the eyes of the law. A non-resident is a non-resident corporation, meaning one organized outside of the state, and also one whose principal place of business is outside of the state."

"We are concerned entirely with where the transaction takes place. If a broker within the State of New York is located in Connecticut, New Jersey, Florida or wherever it might be, as long as he operates in this state he has to have a license. That is a broad ruling, but I think it is the only foundation we can rest on. This also applies to the publication of advertising in relation to outside property."

Policy of Give and Take
Realizing that the railroad had legal rights which had to be recognized, Mr. Miller decided on a policy of give and take with the idea that the New York Central might become more than passively interested in the city's scheme for bettering traffic conditions. As a result of this policy he believes he has secured everything wanted and on reasonable conditions.

The building which the railroad plans to erect at the north end of the station if the plan goes through would span Park Avenue in two arches through which would stream north and southbound vehicles. These arches would be fifty feet high and 25 feet wide. On one side of each archway would be a 16-foot wide sidewalk for the use of the city which will sell under this plan would be the air rights, for under the plan the railroad would run the tracks of the company. For those rights the city would give the railroad the right to use the space between the tracks of the company. The plan provides for an elevated roadway in Depew Place, starting at Forty-third Street and rising on an up-grade to the next level above Depew Place and above Forty-fifth Street, after which it will turn to the west on the north side of Forty-fifth Street.

Borough President and N. Y. Central Complete Plan For Relief of Traffic Conditions in Terminal Section



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Vanderbilt Avenue To Be Extended
"In connection with these changes it is proposed to also open Vanderbilt Avenue between Forty-fifth and Forty-sixth streets to public traffic, so that south-bound traffic on Park Avenue, which is bound for points west of the Grand Central Terminal, can leave Park Avenue at Forty-fifth Street and continue south on Vanderbilt Avenue. While the Park Avenue viaduct has a width which is sufficient only for four lines of moving vehicles, it has a capacity much greater than the ordinary public highway of this width, for the reason that there is no interference from cross-street traffic."

Realty Concern Members Hold Dinner and Dance
An unusual affair in Wall Street at night took place last week when the officials, employees and friends of Albert B. Ashforth, Inc., and Stephen H. Tyng Jr. & Co., Inc., held their annual dinner and dance on the top floor of the new Realty Building.

A monologist and musician, besides a quartet and solo singers, made up part of an attractive entertainment program, which was followed by dancing. About 120 were in attendance.

Sales in Eleventh Avenue
M. Morgenthau, Jr., Co.; Everett M. Seixas Co., Consolidated, sold for Frank J. Mensing the southeast corner of Eleventh Avenue and Eleventh Avenue, known as 588 Eleventh Avenue, to the Eleventh Avenue Corporation, a New York corporation recently formed. The property is a four-story building. They have also sold for Jean Fleury property 582 Eleventh Avenue to the same corporation. This building is four-story with stores; 26,535.

Rents Home in 77th Street
Pease & Elliman leased for Mrs. G. S. Rank to Harris Park the five-story, 25-foot American basement dwelling at 10 West 77th Street.

Building Managers Get Ticket for Next Year

Louis B. Dailey Nominated for President of the Association

The nominating committee of the Building Managers and Owners' Association has placed the following ticket before the members:
For president, Louis B. Dailey; for vice-president, William S. Denison; for secretary, Charles E. Forster, and for treasurer, Jerome G. Young.

For members of executive committee to serve three years from January 1, 1923: Edward K. Van Winkle, Jacob L. Waugh, J. Arthur Pinchbeck and J. Clydesdale Cushman.

Charles E. Sprague was nominated to fill the unexpired term of Leslie H. Moore, who resigned as member of the executive committee.

Trading in Large Apartment Houses in Upper Manhattan

Flat on St. Nicholas Ave. Corner Sold for Cash; 8-Story Building in Madison Ave. in Reported Deal

Joseph G. Bassman, of the S. H. Raphael Company, Inc., sold the north-west corner of 125th Street and St. Nicholas Avenue, 100x100, a six-story elevator apartment with seven stores, held for \$350,000.

Upon expiration of leases the first story is to be altered for business purposes.

The property was sold for all cash.

The eight-story apartment at the southeast corner of Madison Avenue and Twenty-seventh Street, 45x100, is reported to have been sold to Isadore Lippmann to Max Raymond for about \$285,000.

Manhattan Has Too Many Side Streets
Due to Highway Lay-Out Planned to Answer Needs of City When Business Lined the Waterfronts

By Robert J. Reiley, Architect

If New York's street system could be swung around overnight so that side streets would be avenues and what are now avenues would be side streets our traffic problems would be relieved, if not entirely eliminated. The trouble is due to too many side streets, feeders, so to speak—and not enough trunk or main arteries. The space between side streets is not great enough to permit the swing in of traffic without interfering with the movement on the main lines of travel. The effect of every delay is magnified as it is passed along the line, and though the interruption may be only a few minutes in the best case it will amount to a large page of many times as great several blocks up or down the avenue. Of course this is true only of the leading thoroughfares of the city. The less important avenues have no traffic problem to contend with. If Fifth, Madison, Park, Sixth, Seventh and Eighth avenues and Broadway could be widened along several lines of uninterrupted movement in the center and the curb line reserved for the traffic turning in from the side streets, there would be less of a traffic snarl on the central avenue than exists to-day.

An Error Would Have Helped Now
It is unfortunate for modern New York that the commission which laid out Manhattan above Fourteenth Street more than a century ago had not seen through it. If it had made an error and gave its traffic to the north and south streets and less east and west streets the great problem which confronts city authorities and property interests would be still some distance in the future.

New York's development in those days was along the waterfront. It was a shipping town. The leading merchants and the richest men were engaged in sea trade. Their homes and the homes of any one who was any one at the time were located along the waterfront. As we know today, the large estates such as we find today on the Sound or on the Hudson River, Broadway, or, as it was called then, the Albany Post Road, served the estate and the business of the city. The Boston Post Road, or Third Avenue, as it is known to-day, was the way to the East River country estates. The line between them was sparsely settled. With this situation on the waterfront, the commission appointed to lay out a street system for upper Manhattan naturally proceeded to plan a city based on the waterfront. The way of progress had been along the waterfront and there was no justification in changing it. The city's future growth would not continue to be along the waterfront. It was expedient therefore that there be ample means of ingress and egress to the east and west waterfront. The plan was simple, and after some little consideration the commission decided the best street system for New York was a grid system of streets, not more than 200 feet apart, and avenues or longitudinal highways about 600 feet apart. This plan was lauded and it deserved praise for it provided a way of progress that was simple and expedient. The future development of the city and it anticipated the future development of new territory on each waterfront. An avenue or street every 200 feet, or 600 or 800 feet was deemed ample. To charge against these men, for had they planned a street system different from the one they laid down for the city, they would have been guilty of incompetency.

Change Came Over Night
With the development of transit and the perfection of steam transportation trade was drawn from the waterfront to the interior of the island. As if a great suction pump were in operation, the business was sucked into the north and south highways and kept crowding into them from the side streets, which had been planned to be the business streets of the city and the avenues feeders and outlets.

Because of the shape of the island, a long narrow tongue of land, the choice locations were along the back of the city, on the central avenues only within easy touch of everything to the east and west. The same situation prevails to-day. Fifth Avenue, Madison Avenue and Broadway are the great business lanes of the island, and there is no reason for believing that it will not always remain the same. Other avenues will get the overflow from these and will be lifted naturally to a new level in the real estate field and the business firmament of New York.

But it was overnight, so to speak, that the development or growth of New York turned from east and west to north and south. It is too late now to change at a minimum expense the way of the city. Police Commissioner Knight in his last report says that the great business must be made, for artificial expedients have been exhausted in trying to correct traffic conditions, which in no small measure are due to a street system that was planned to provide for a city that was expected to develop from waterfront to waterfront, in other words from east to west. It may be well to analyze well the street plans we are preparing for the new city of New York because a century from now the city may be changing the present generation with lack of foresight.

Buying in the Bronx
The Wood-Dolson Company, Inc., through its representative, S. D. Moss, sold for the B. & K. Improvement Company, Louis Epstein president, a two-story building containing eight stores and thirteen apartments, at 778 to 781 East 189th Street. The purchaser is Samuel Horvitz. The property was held at \$120,000.

Armstrong Brothers sold 3255 Parkside Place, a two-family brick dwelling, 25x100, for Henry and Henrietta Knorr to Mary Curran.

The Hudson P. Rose Company purchased from Elizabeth M. Hart the two-family dwelling at 315 Locust Avenue.

Home of Late Col. Augustus C. Tyler to Go at Auction
The residence of the late Colonel Augustus Cleveland Tyler, son of the late General Tyler, is to be sold at auction on the premises in New London, Conn., on Saturday next. Arthur C. Sheridan will be the auctioneer.

\$150,000 Bronxville Estate for Elizabeth F. Goetz

Fish & Marvin have sold the Horan estate, known as Earlmont, on Pondfield Road, at Bronxville, to Elizabeth Fuller Goetz. There is a large mansion containing twenty-two rooms and five baths, occupying a plot of approximately four acres. The balance of about four acres will be platted, carefully restricted and sold for residential purposes. The Horan estate is one of the best known and attractive in Westchester County. It was held at \$150,000.